SENATE DEMOCRATIC CAUCUS

LANSING, MICHIGAN

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DEMS ANNOUNCE LEGISLATION TO HELP OUTSOURCED WORKERS

Bills protect homes, provide access to training, spur Michigan economy

LANSING—Senate Democrats unveiled today the first in a series of initiatives designed to help Michigan families cope with the results of their jobs being shipped overseas and discourage further outsourcing. Michigan has been disproportionately affected by the outsourcing of American jobs, and this package will offer both financial assistance and access to training opportunities for workers who have lost their jobs.

"Outsourcing has a ripple effect that cripples entire local economies and devastates families," said Sen. Mark Schauer (D-Battle Creek). "By providing emergency protections for outsourced workers, we can keep families together and kick-start economic development."

The Senate Democrats launched their package, "Help Outsourced Workers (HOW) to Improve Michigan's Economy" at events around the state today. Details of the package include:

- Loan Insurance: Create a loan protection program to help provide emergency assistance with home and car loan payments. This would allow workers to keep their homes and meet basic necessity financial obligations while they get back up on their feet.
- **Emergency Tuition Assistance:** Provide emergency tuition assistance to students whose parents have lost their jobs due to outsourcing or bankruptcy.
- **Fast Track Admission:** Offer outsourced workers a fast track into community college for outsourced workers and people with an income of 150% of the federal poverty level (roughly \$25,000 for a family of three.)
- **Job Connector:** Put in statute the Governor's MI Opportunity Partnership initiative. This will ensure that the program exists as long as it is necessary.
- Lengthening Unemployment Assistance Eligibility: Increase the length of time a person could receive unemployment benefits from the current maximum of 26 weeks to 39 weeks.

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"When anyone loses a job, it is devastating to a family," said Sen. Deb Cherry (D-Burton). "There are bills to pay coupled with the uncertainty of finding another job. The legislation we are introducing today will help ease the stress of this transitional period, by providing emergency assistance with home and loan payments, as well as educational help for retraining."

In remarks in Silicon Valley this past Wednesday, President Bush defended the federal trade policies mostly responsible for the loss of American jobs to other countries. Bush claimed that the growing of India's middle class is leading to higher demand for products like "air conditioners, pizza, and kitchen appliances."

"The solution to Michigan's economic problems is to keep jobs in Michigan," Sen. Mickey Switalski (D-Roseville) said. "When Michigan workers are employed, they spend their paychecks in Michigan, buying Michigan products and purchasing Michigan services. Let's begin by offering them the education, the training and the resources that will help them remain employed."

The outsourcing problem is far more severe than federal reports have shown. According to information recently released by Goldman Sachs, as many as 6 million American jobs might be sent to other nations in the next decade by US companies in search of lower costs. Michigan employers like Electrolux in Greenville, Bosch in Kentwood, and Johnson Controls in Holland have already out-sourced thousands of Michigan jobs oversees. Additionally, a Cornell study points to the fact that the estimates being provided by the federal government grossly underestimated the total number of jobs being outsourced overseas. While the Bureau of Labor Statistics reported 4,633 private sector workers (in establishments with 50 or more workers) lost their jobs due to global outsourcing in January-March 2004, the Cornell study found solid confirmation for an absolute minimum of 25,000 jobs shifting out of the US during that same period.

"Job loss is a traumatic and demoralizing event for any family to face," Sen. Dennis Olshove (D-Warren) said. "The legislation introduced today will provide a financial safety net for Michigan workers and families that our federal government refuses to provide."

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Editor's note:

Additional material that may be helpful in background:

http://www.detnews.com/apps/pbcs.dll/article?AID=/20060227/BIZ/602270344

http://www.twincities.com/mld/pioneerpress/13937136.htm

http://www.mercurynews.com/mld/mercurynews/business/13940642.htm?template=contentModules/printstory.jsp

http://www.mlive.com/newsflash/business/index.ssf?/base/news-

32/1140962348188210.xml&storylist=mibusiness